

Message Text

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61

ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-10 EA-10 EUR-12 NEA-09 RSC-01

IO-10 AEC-07 AID-05 CEA-01 CIAE-00 CIEP-02 COME-00

DODE-00 FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00

FRB-01 FEA-01 /136 W

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R 201602Z JAN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 5997

INFO AMEMBASSY ALGIERS

AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY QUITO

AMEMBASSY BONN

AMEMBASSY JAKARTA

AMEMBASSY TEHRAN

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY KUWAIT

AMEMBASSY TRIPOLI

AMEMBASSY KUALA LUMPUR

AMEMBASSY THE HAGUE

AMEMBASSY LAGOS

AMEMBASSY OSLO

AMEMBASSY JIDDA

AMEMBASSY MADRID

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY STOCKHOLM

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY BEIRUT

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UNCLAS PARIS 01567

BEIRUT POUCH BAGHDAD

E.O. 11652: N/A

TAGS: ENRG FR

SUBJECT: NATIONAL OIL COMPANIES

REF: STATE 9029

1. GOF ALLOCATES PORTION OF DOMESTIC OIL MARKET TO FRENCH COMPANIES THROUGH MECHANISM OF REFINERY AUTHORIZATIONS ISSUED TO SELECTED COMPANIES. GOF GOAL OF HAVING 55 PERCENT OF MARKET IN HANDS OF FRENCH COMPANIES IS EFFECTIVELY MET BY MANAGING OF AUTHORIZATION LEVELS, ALTHOUGH THERE IS NO LEGAL REQUIREMENT WE ARE AWARE OF SETTING THAT PARTICULAR PERCENTAGE. A LAW OF 25 JUNE 1931 DOES, HOWEVER, RESERVE 25 PERCENT OF THE MARKET TO THE CFP REFINING AFFILIATE.

2. REFINERY AUTHORIZATIONS (CALLED A-10S) ARE ISSUED UNDER PROVISIONS OF 30 MARCH 1928 LAW WHICH DELEGATES STATE OIL IMPORT MONOPOLY TO SELECTED IMPORTER-REFINER-MARKETERS. THESE AUTHORIZATIONS ARE ISSUED IN RETURN FOR SUPPLY AND OTHER COMMITMENTS ON THE

COMPANIES' PART. (THESE COMMITMENTS EXTEND DOWN TO RETAIL LEVEL BY VIRTUE OF A COUNCIL OF STATE DECISION OF 9 JUNE 1964). VALID FOR TEN-YEAR PERIOD, THE AUTHORIZATIONS ARE STATED IN TERMS OF MAXIMUM QUANTITIES OF REFINED PRODUCT WHICH EACH COMPANY PERMITTED TO MARKET, AND THUS PROVIDE A ROUGH MEASURE OF EACH COMPANY'S MARKET SHARE. AS THE AUTHORIZED QUANTITIES HAVE IN GENERAL TOTALLED MORE THAN TOTAL DOMESTIC CONSUMPTION PLUS EXPORTS, HOWEVER, THERE HAS BEEN SOME ROOM FOR MANEUVER BY INDIVIDUAL COMPANIES IN INCREASING MARKET SHARES.

3. THIS BASIC ALLOCATION MADE BY ISSUANCE OF A-10S
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IS FURTHER ELABORATED BY NEGOTIATION OF ANNUAL SUPPLY PLANS BY INDIVIDUAL REFINERS, AND BY ISSUANCE OF THREE-YEAR IMPORT LICENSES (A-3S) FOR LESS IMPORTANT REFINED PRODUCTS IMPORTS. PRODUCT IMPORT LICENSES ALSO PROVIDE FOR SMALL INDEPENDENT SECTOR OF FRENCH MARKET WHICH CONTROLS FIVE PERCENT OF TOTAL MARKET, LARGELY IN HEATING OIL.

4. WHILE ISSUANCE OF BOTH A-10 AND A-3 AUTHORIZATIONS
CAN BE INFLUENCED TO LIMITED DEGREE BY INDIVIDUAL
COMPANIES IN NEGOTIATIONS WITH GOF, IT IS IN FINAL
ANALYSIS DONE BY GOF ADMINISTRATIVE ACTION UNDER THE
AUTHORITY OF THE 1928 LAW AS AMENDED.
RUSH

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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